

GSE CUSTOMER COUNCIL

October 23, 2003

Members Present:

John Bradford, Chairperson; John Baldwin, Vice Chairperson, DOC; Capt. Bob Alles, DPS; Jennifer St. John, DNR; Marcia Spangler, DPH, Mary Lawyer, IDED; Roger Johnson, Cultural Affairs; Greg Anliker, Elder Affairs; Charlie Smithson, Ethics; Peggy Sullivan, Judicial; Bob Straker, AFSCME.

Members Not Present:

Ruth White, Human Rights

Others Present:

Patrick Deluhery, GSE; Debbie O'Leary, GSE; Dale Schroeder, GSE; Scott Bertness, GSE, Tim Ryburn, GSE; Dean Ibsen, GSE; Tera Harrington, GSE; Nancy Williams, GSE; Patti Allen, DAS; Ken Paulsen, GSE; Julie Sterk, DAS; Shirley Walker, GSE; Denise Sturm, DAS.

Call To Order

Chairperson John Bradford called to order at 7:30 a.m.

Opening Comments

Chairperson Bradford advised of meeting updates:

Tuesday, October 28, 2003 scheduled meeting – cancelled

Thursday, October 30, 2003 – keep this meeting as scheduled

Additional Meeting – Friday, November 14, 2003 1:30 – 4:30

EMD Conf. Room Hoover/A Level

November 18, 2003 1:30 – 3:30 – 1st Floor North Conference Room (Grimes)

December 15, 2003 1:30 – 3:30 EMD Conference Room Hoover/A Level

Purchasing (Debbie O'Leary)

Debbie O'Leary discussed the Purchasing presentation “handout” copy attached to minutes) in detail and answered many questions and comments.

Purchasing budget is at “bare bones” (see hand-out)

Proposed eliminating the 1% Administrative Fee and find a new way of calculating a fee for agencies since the 1% fee will be a detriment to agencies using the I/3 system.

GSE is aware there are a number of agencies that avoid the 1% fee.

By not utilizing purchase orders, we are not seeing what agencies are purchasing so we are not able to do our job of getting “economy of scale” prices. We do not really know what the volume of purchasing is for all the agencies.

As we move forward to I/3 system, we don't want to have people not using that system simply because they don't want to pay the 1% fee. This is the basis of starting to think about changing the 1%.

Handouts were provided from the IFAS system – For FY01, FY02 and FY03, there are a lot of differences among agencies. Purchasing is struggling with what is the correct methodology.

Travel – Purchasing doesn't receive any money from the Short's contract. Purchasing wants to get to the volume and cost-effectiveness. Agencies must take into account how much time is spent looking for a deal! Keep in mind the "hidden costs" of finding deals.

Purchasing needs to find more time to devote to "strategic procurement" - doing a higher level of negotiations. We are attempting to situate ourselves into a better position to do this; however, we also must find a way to fund ourselves. This has been a problem. The Purchasing budget supports 12.8 people.

John Baldwin stated he doesn't believe the Council has enough information at this time to come up with a rational approach to this. Right now, we need to find some way to get a "simple start", with the I/3 – there should be better numbers.

Mary Lawyer stated that if people thought they were getting a value for the 1%, they might be more willing to do it. Somehow we need to benchmark and show the value of the Purchasing Department. Debbie O'Leary agreed Purchasing needs to do a better job of advising agencies of the value GSE Purchasing adds. We are seeing this value with contracted services, cell phone costs, PC costs, etc.; we need focus on taking credit for the many savings provided the agencies. John Baldwin stated, "Benchmarking" will show savings".

Mary Lawyer advised it would be good on each contract negotiated, that GSE Purchasing show cost savings over what agencies have been paying in the marketplace. It was noted by others that there is not a perceived savings.

Competitive Bidding - you get the best price *at the time* of the bid. We find that vendors, who were not the low bidder, will go to each department and offer a better price. Purchasing is bound by code requirements that require competitive bidding, ethical conduct, etc. This provides integrity to the program but yet, when times are hard, the vendors are out there to get every cent they can get

John Bradford advised that a small group be set up, including both Council members and agency representative and do some "brainstorming", then bring these ideas and plans back to this Committee.

The next presentation by Purchasing will be either the October 30th meeting or November 14, 2003 meeting.

Mail Rate Presentation (Dale Schroeder)

Dale Schroeder discussed the Mail presentation "handout" (copy attached to minutes) in detail and answered many questions and comments.

Dale's objective is to discuss the three funding structures that support the core and specialized services provided in mail.

Core services are supported by billing agencies the general fund appropriation based on an allocation of outgoing mail volume processed by the Mail Section.

Supplemental Administrative Fee for Core Services - The current fee is \$.0066 for each first class PRE-SORTED mail piece. The proposed fee is \$.0058 for each first class mail piece.

Supplemental Fees for Specialized Services:

- a) The current AND proposed fees for FY05 automation services are:
 - \$.03 per piece for permit mail
 - \$.0372 per piece for metered mail (varies by discounts achieved via automation)
- b) Letter shop services – current and proposed fees are:
 - \$.011 Standard letter size insertion charge for first document
 - \$.003 Standard letter size insertion charge for each additional document
 - \$.007 Each machine folding

The Mail Section will waive Letter shop folding and inserting fees for mail streams utilizing its “in-house” automation services.

Discussion about the issue of agencies off complex receiving the same services as those on complex, i.e. delivery and pickup – yet they are being charged the same rate. Dale pointed out that to some degree, GSE Mail is handling some of the incoming mail for you, we are handling any and all inter-office mail – still is coming through our system and we are processing your outgoing mail if you provide it to us. We also offer any of the other services such as certified, parcels, etc.

Greg Anliker moved to accept the Mail proposal as presented at the tentative rate, with the suggestion that in the next twelve to eighteen months, to look at other options for off-campus agencies. Capt. Bob Alles seconded the motion. Motion passed.

Open Discussion

Pat Deluhery noted that all of the documents are preliminary and in terms of our decisions, these are all tentative – there are big budget issues out there that we will all still have to grapple with.

Sending out preliminary rates to agencies was discussed, Mary Lawyer indicated that if agencies want to discuss – they could contact anyone on the Customer Council. Information should be sent to the Director and Finance Directors.

Respectfully submitted,

Nancy Williams
GSE Secretary